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Chairman: Mr. Maurer ..... (Switzerland)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Ms. McLurg

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The meeting was called to order at 10.15 a.m.

Agenda item 137: Human resources management (A/64/230, A/64/267, A/64/269, A/64/316, A/64/352 and A/64/518)

1. **Ms. Pollard** (Assistant Secretary-General for Human Resources Management), introducing the report of the Secretary-General on the composition of the Secretariat (A/64/352), said that it covered a total of 39,978 staff, up from 30,548 in 2006. That represented an increase of almost one third in the previous three years, 89 per cent of which was attributable to an increase in the number of staff in field operations, from 14,777 in 2006 to 23,158 in 2009. As at 30 June 2009, the Secretariat had counted 15 unrepresented and 30 underrepresented Member States among 2,809 staff members recruited against posts subject to geographical distribution, compared to 18 unrepresented and 11 underrepresented Member States among 2,631 staff members in such posts in 2006. All 192 Member States were now represented among staff recruited against all posts, whereas in 2006, 182 of the 191 Member States had been represented among all staff. With regard to gender balance, 33.7 per cent of staff were women. That overall figure resulted from a combination of near-parity — 49 per cent — in the number of female staff at Headquarters, the regional commissions and offices away from Headquarters, and a lower percentage of female staff in field operations — 20.9 per cent — that was partly due to the specific nature of field missions.

2. In the Secretary-General's report on the provisional Staff Rules (A/64/230), the General Assembly was requested to take note of the new rules, to approve continuing appointments and to allow staff members to maintain permanent resident status outside their country of nationality. In its resolution 63/271, the Assembly had approved the amended Staff Regulations required to implement the new contractual framework as from 1 July 2009. The new Staff Rules had been promulgated provisionally with effect from 1 July 2009 and reflected the Assembly's decisions on the implementation of temporary, fixed-term and continuing contracts (with implementation of the last type of contract currently on hold) and related conditions of service as well as on the new system of administration of justice. The provisional Staff Rules would enter into force on 1 January 2010, taking into account any modifications the Assembly might determine. Once the Assembly approved the criteria for implementing continuing appointments, the relevant rules would be amended accordingly.

3. The Secretary-General's report on the implementation of continuing appointments (A/64/267) responded to the full range of issues raised by the Assembly — including financial implications, the role of the performance appraisal system, the issue of "continuing need", the possible establishment of a ceiling and decision-making procedures — and requested the Assembly to approve the implementation of continuing appointments as from 1 January 2010. Field staff as well as staff at Headquarters would be eligible for consideration for continuing appointments. The decision on the number of field staff to be granted continuing contracts would be based on the continuing needs identified through workforce planning. Continuing needs for field missions were viewed from three perspectives: the global requirement for ongoing functions in the field and elsewhere in the Secretariat; the life cycle of mission mandates; and baseline staffing requirements, taking into account patterns of change in mission staffing levels. The report also contained information on the implications of the proposed continuing appointments for the system of geographical ranges, Junior Professional Officers and successful candidates in competitive examinations. She hoped that with the additional information provided, the Assembly would approve the implementation of continuing appointments with effect from 1 January 2010.

4. Introducing the report on the practice of the Secretary-General in disciplinary matters and possible criminal behaviour, 1 July 2008 to 30 June 2009 (A/64/269), she reminded the Committee that the new system of administration of justice had taken effect on 1 July 2009. That had forced the Administrative Law Unit of the Office of Human Resources Management to change the way it handled disciplinary cases and appeals, adding significantly to what had already been a heavy workload. The number of cases had tripled in the previous six months. She reminded the Committee that the report under consideration did not reflect the new system of administration of justice. It contained information on actions taken in 301 cases that had been referred to the Administrative Law Unit, and also provided an overview of the administrative machinery for disciplinary matters, a summary of the cases for which disciplinary measures had been imposed by the

Secretary-General and statistics on the disposition of all cases completed during the reporting period.

5. **Mr. Benson** (Director, Ethics Office), introducing the report of the Secretary-General on the activities of the Ethics Office (A/64/316), said that the report contained the text of the system-wide Code of Ethics that had been developed at the General Assembly's request. The outcome of extensive system-wide consultation, the Code was a concise statement of the core values and principles espoused in the Charter, the Staff Regulations and Rules and the standards of conduct for the international civil service. It was meant to be values-based and aspirational in nature instead of rules-based and disciplinary and was therefore complementary to the Staff Regulations and Rules and the standards of conduct.

6. The confidential financial disclosure programme was intended to manage organizational risks and thus preserve the Organization's integrity and reputation. The number of participants had stood at 3,118 in 2008, almost double the number of participants in 2006. The compliance rate was 99.16 per cent. The number of Under-Secretaries-General and Assistant Secretaries-General participating in the Secretary-General's voluntary public disclosure initiative had also increased, from 120 participants in 2007 to 149 in 2008.

7. The Ethics Committee had been established in January 2008 by Secretary-General's bulletin ST/SGB/2007/11 and covered eight United Nations entities: the Secretariat, the United Nations Development Programme (UNDP), the United Nations Population Fund (UNFPA), the World Food Programme (WFP), the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), the Office of the United Nations High Commissioner for Refugees (UNHCR), the United Nations Office for Project Services (UNOPS) and the United Nations Children's Fund (UNICEF). It had provided substantive and technical support to the Secretary-General in developing the Code of Ethics and had carried out a policy review to identify ethics-related gaps and ways to bridge them, particularly in the areas of norm-setting, financial disclosure, ethics training and protection against retaliation. Over the previous year, the Committee had improved the coordination of ethics-related policies and activities within the Secretariat and the funds and programmes in order to ensure a coherent approach to the system-wide application of ethics.

8. **Ms. McLurg** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the report of the Advisory Committee on human resources management (A/64/518), said that the Secretary-General's report on the implementation of continuing appointments (A/64/267) had not fully responded to the General Assembly's request in its resolution 63/250. In paragraphs 6 to 34 of its report (A/64/518), the Advisory Committee identified the areas that required further clarification and/or explanation if the Assembly was to take a fully informed decision.

9. With regard to the principal eligibility criterion for consideration for a continuing appointment — five years of continuous service — it was unclear how many staff might be awarded such appointments in the next five years. It appeared that field staff would be at a disadvantage compared to their non-field counterparts because, pursuant to General Assembly resolution 63/250, they would be limited to service in field missions until they had undergone a competitive process subject to the review of a central review body. Furthermore, the Advisory Committee was not convinced that locally recruited mission staff should be eligible for continuing appointments. Although peacekeeping had become a core activity of the Organization, individual peacekeeping missions were, by their very nature, temporary. Awarding continuing appointments to locally recruited staff whose service was limited to one operation in one location seemed to contradict the principle underlying the introduction of such appointments. Accordingly, the Advisory Committee recommended that local staff employed by those operations should continue to be hired on contracts of a finite duration.

10. With respect to the "continuing need" criterion, the Advisory Committee took the view that, until strategic workforce planning generated Organization-wide data on the types of functions for which there was a continuing need and the numbers of staff members required in the major occupational groups, it would be difficult to establish a basis on which to award continuing appointments. Clear criteria for determining whether a particular individual had transferable skills should be developed so as to ensure an objective review process and avoid recourse to the system of administration of justice.

11. The Advisory Committee was concerned that the performance review process proposed by the Secretary-General was overly burdensome and time-consuming. The Assembly might therefore wish to request the Secretary-General to identify further options for streamlining the process while ensuring that it remained sufficiently rigorous.

12. With respect to establishing a ceiling on the number of staff eligible to be considered for continuing appointments, the Advisory Committee recognized the basis for concerns about regulating the number of staff with a long-term claim on the Organization, but nevertheless continued to recommend against the establishment of a ceiling.

13. Turning to the Secretary-General's report on the provisional Staff Rules (A/64/230), she noted that most of the changes to the previous Rules reflected the introduction of the new contractual arrangements. The Advisory Committee recommended that the General Assembly should take note of the provisional Staff Rules set out in document ST/SGB/2009/7.

14. On the question of permanent resident status, the Advisory Committee was of the view that, with the increasing use of fixed-term appointments, it might not be fair to require a candidate to give up permanent resident status — a decision that had long-term consequences — so that he or she could take up a position that might last only two or three years. The General Assembly should therefore reconsider that requirement and, if agreement was reached, delete provisional staff rule 1.5 (c). The Advisory Committee was also concerned about staff members who had been recruited under the 200 or 300 series of the former Staff Rules, as many such staff would transition to fixed-term appointments under the new Staff Rules and would consequently be required to give up their permanent resident status as a prerequisite for continued employment with the United Nations. It was unreasonable to expect serving staff members to make a choice between renouncing permanent resident status and continuing their employment with the Organization. The Advisory Committee therefore recommended that measures should be taken to ensure that those individuals were not disadvantaged by the introduction of the new contractual regime.

15. With regard to the Secretary-General's report on the activities of the Ethics Office (A/64/316), the Advisory Committee recommended that the arrangements envisaged to address circumstances in which the Office of Internal Oversight Services declined to investigate cases of alleged retaliation referred by the Ethics Office should be clarified to the General Assembly.

16. Regarding the financial disclosure programme, the Advisory Committee noted that a study on the feasibility of conducting the programme in-house instead of outsourcing it would be completed by December 2009, at which point the findings and recommendations would be submitted to the General Assembly.

17. Regarding the Code of Ethics contained in the annex to the Secretary-General's report (A/64/316), the added value of a voluntary ethics code was unclear, given the standards of conduct developed by the International Civil Service Commission (ICSC) and the legal framework set out in the Staff Regulations and Rules. Since ICSC had already requested its secretariat to undertake an initial review of the standards of conduct, the Advisory Committee recommended that the General Assembly should revert to the issue of a code of ethics for the United Nations once that review had been completed.

18. The Advisory Committee had also considered the reports of the Secretary-General on his practice in disciplinary matters (A/64/269) and on the composition of the Secretariat (A/64/352). It would comment in detail on the latter report during its consideration of human resources matters at the Assembly's sixty-fifth session.

19. **Ms. Analena** (Vice-President, Staff-Management Coordination Committee), speaking on behalf of the staff of the regional commissions for Africa, Latin America and the Caribbean, Asia and the Pacific, and Western Asia; the International Tribunal for the Former Yugoslavia and the International Criminal Tribunal for Rwanda; UNDP, UNFPA, UNOPS, UNICEF and UNHCR; the United Nations Offices at Geneva, Nairobi and Vienna; the Department of Field Support; and the United Nations University, said that she was pleased with the progress made in human resources reform but had some grave concerns. On the issue of continuing contracts, a study commissioned by the Staff-Management Coordination Committee, a copy of which had been circulated, had shown that indefinite, permanent or continuing contracts were the norm for civil servants worldwide and were generally offered at

an earlier stage than that envisaged for United Nations staff, the great majority of whom could only dream of the stability and job security that came with a continuing contract. Member States' concerns about who would be considered for conversion to continuing contracts and about performance management, geographical distribution and mobility were largely unjustified, as the Secretary-General's proposal included a requirement for a review of continuing need and performance. Only those staff who met both criteria would be considered for continuing contracts; staff who had been subject to disciplinary measures would not be eligible, meaning that only those who met the highest standards of integrity, efficiency and professionalism would be retained. The United Nations must accept its obligations as a socially responsible employer and apply those criteria to all staff, whether locally or internationally recruited.

20. The vast majority of staff were dedicated, competent and effective. One example was Ms. Perseveranda So, who in June 2009 had been killed in a bomb blast in Peshawar, where she had been implementing education programmes for girls. Throughout her 15 years of employment in the United Nations system, she had had only short-term contracts, yet she had given her life in the service of the Organization. If the Assembly failed to approve the awarding of continuing contracts, it would punish many staff members out of fear that some poor performers would slip through the review system. Furthermore, no evidence had yet been produced on the numbers of non-performing staff. If that was to be the basis for denying a right that was the norm elsewhere, then substantive evidence of non-performance should be made available.

21. Some Member States were concerned about underrepresentation, yet it was no surprise that many candidates would not choose to join the United Nations when they could obtain job security in their own civil services after as little as six months of service. The lack of job security also contributed to the high staff turnover rate and low mobility. Failure to implement continuing contracts would suggest that Member States had little concern for staff members.

22. With respect to security, the United Nations was still a soft target with protections that fell short of best practices. Member States must provide adequate resources to afford staff members the protection required under the Charter: the staff could not fulfil the Organization's mandates if they had to work while fearing for their lives.

23. **Mr. Kisambira** (President of the United Nations Staff Union) said that, while he welcomed some aspects of the new contractual arrangements, they should not replace the permanent appointment, which guaranteed the independence of the international civil service. The new contractual arrangements and provisional Staff Rules purported to cover staff "serving as one", yet they contained significant exceptions. The implementation of continuing appointments should be accompanied by an improved, uniform staff selection system, a revamped performance appraisal system and enforced accountability.

24. The provisional Staff Rules reduced the benefits and entitlements of staff on temporary appointments compared with staff on fixed-term, continuing and permanent appointments, in contravention of the "equal pay for equal work" principle. The rules also gave staff members on temporary or continuing appointments less protection from dismissal than staff on fixed-term appointments.

25. To ensure equity and fairness, the central review bodies, which currently merely reviewed the selection process for compliance with the selection criteria, should be given greater power in the actual selection of candidates for recruitment, promotion, contractual conversion and termination.

26. Provisional staff rule 1.3 on staff performance and accountability was inadequate. Performance appraisals should be linked to staff training, while accountability should be defined and a 360-degree evaluation should be instituted. Eliminating the probationary period would encumber the Secretariat with staff members who did not perform as expected. It would also put unproven staff members on an equal footing with those who had proved their performance abilities. The probationary period should therefore be retained.

27. While he welcomed the new system of administration of justice, he objected to staff rule 11.2 (c) and (d), which invited delay in the administration of justice by allowing the Secretary-General to extend the deadline for the submission of a request for a management evaluation. He also objected to provisional staff rule 11.3 regarding suspension of action, as a staff member's request for suspension of

action should not be conditional on a management evaluation.

28. Provisional staff rule 8.1 (b) would weaken staff representation. He therefore requested the reinstatement of the exact language of the previous staff rule 108.1 (a).

29. Turning to the issue of continuing appointments, he said that the conditions for the proper consideration of eligibility for conversion to a continuing contract did not exist in the Secretariat. The proposed procedure for conversion from a fixed-term to a continuing appointment was laboured and confusing. The determination of continuing need for any function should not be left to the discretion of a joint body, but should be predetermined before the joint staff-management body reviewed staff members' eligibility for conversion. Furthermore, conversions to continuing appointments should be reviewed by empowered, revamped central review bodies. The new contractual arrangements should not be implemented until the Assembly had considered the Secretary-General's report on accountability requested in its resolution 63/276; a review of the current appraisal system; and proposals on the mobility policy.

30. Noting the Advisory Committee's recommendation that locally recruited mission staff should continue to be hired on contracts of a finite duration (A/64/518, para. 14), he urged the Assembly to grant severance pay to staff members who had served for at least five years.

31. The proposals before the Committee ignored the underlying causes of the distortions in human resources management, which emanated from the growing needs and complexity of field missions. The Office of Human Resources Management was mooting a mobility policy that would require staff members to serve in a field mission before becoming eligible for promotion to a post at the P-5 level or above and to make two geographical moves, including one to a category C, D or E duty station, before becoming eligible for promotion to a post at the D-1 level or above. Such a policy was not family-friendly and would be especially unattractive to female candidates, whose numbers remained small at senior levels. It would also be disingenuous to promise staff in field missions and other duty stations that a continuing appointment would give them a realistic chance of being employed in the Secretariat. It was perhaps time for the Assembly to consider the establishment of core posts for field operations.

32. **Mr. Elhag** (Sudan), speaking on behalf of the Group of 77 and China, said that the General Assembly must resolve all outstanding issues so that continuing contracts could be implemented as from 1 January 2010, as agreed in its resolution 63/250. Failure to complete human resources management reform would affect the delivery of United Nations mandates, which hinged on the quality of its staff and the availability of resources. On the whole, the Group supported the Secretary-General's proposals on continuing contracts, which would improve career prospects for staff, and [illegible]ed that establishing a ceiling on conversions was [illegible]sible. It regretted that the Advisory Committee had focused on the number of eligible staff rather than the criteria for granting continuing appointments. Such an approach was misleading and would not be helpful in the Assembly's discussions of the issue.

33. To ensure that the human resources management system functioned strategically, the mechanisms in place for fair and effective performance appraisals must be reviewed. Mobility should remain voluntary but should be encouraged by means such as financial incentives or promotion opportunities. The Assembly could also consider the granting of a continuing appointment as an incentive for mobility.

34. The apparent mistrust between management and staff was regrettable and could harm the Organization's image. It had therefore been gratifying to note that United Nations Staff Union representatives had participated in the consultations on the provisional Staff Rules.

35. Lastly, the Group reiterated that the Secretariat should intensify its efforts to ensure equitable geographical representation and gender balance, as mandated by the General Assembly. It sought clarification of why the national competitive recruitment examination would not be held in February 2010, in keeping with past practice.

36. **Mr. Råsbrant** (Sweden), speaking on behalf of the European Union; the candidate countries Croatia, the former Yugoslav Republic of Macedonia and Turkey; the stabilization and association process countries Albania, Bosnia and Herzegovina, Montenegro and Serbia; and, in addition, Armenia, the Republic of Moldova and Ukraine, said that the European Union had been a staunch supporter of

human resources management reform, with the goal of making the Organization's work more effective and efficient, implementing a modern human resources management system and ensuring an organizational culture that enabled staff to reach their full potential, thereby strengthening the international civil service.

37. The European Union would study the Secretary-General's proposals and the Advisory Committee's conclusions and recommendations carefully, bearing in mind that it was necessary for the United Nations to offer career appointments but also to have the ability to adjust its workforce as needs changed.

38. **Mr. McLay** (New Zealand), speaking also on behalf of Australia and Canada, said that the United Nations faced unprecedented challenges and therefore required a diverse, high-quality workforce with equal measures of expertise and flexibility. The three delegations were pleased with the new contractual framework, which had the potential to give the Organization a simpler, fairer and less burdensome staff-management system. He hoped that it would also lead to more systematic investment in staff development and greater staff mobility as well as a fresh approach to conditions of service in the field to meet the needs of an increasingly field-based Organization.

39. The new contractual system could not become fully functional until agreement was reached on the criteria and process for converting staff from fixed-term to continuing contracts. The three delegations would review the Secretary-General's proposals in the light of the objectives of contractual reform set out in General Assembly resolution 63/250. The key goal of the reform — integrating peacekeepers into the global Secretariat to provide for peacekeeping as an ongoing function — remained unchanged. The proposals should yield a judicious mix of staff on fixed-term and continuing contracts. He shared the Advisory Committee's concern about the potential for staffing rigidity at headquarters locations as a result of the final round of permanent appointments coupled with far slower integration of peacekeepers into a career stream. Conversion from fixed-term to continuing contracts should not become automatic but should be based on merit and the Organization's long-term needs. More information should be provided on the workforce planning assumptions that would be used to assess organizational needs and on how they would be applied in practice. He shared the Advisory Committee's view that a burdensome administrative process for conversions must be avoided. Lastly, the Secretariat should clarify how the proposals would help achieve the broader objective of developing an integrated and mobile global workforce.

40. **Ms. Gustava** (Mozambique) said that her delegation supported human resources management reform and appreciated the efforts being made to ensure equitable geographical representation. She noted with concern, nevertheless, that the number of underrepresented countries had risen from 9 in 2005 to 30 in 2009, while the number of overrepresented countries had increased from 20 to 22 in the same period. It was encouraging that the proportion of female staff in posts subject to geographical distribution was increasing, but it was unacceptable that women still represented only 33.6 per cent of Secretariat staff. She encouraged the Secretariat to continue taking all necessary measures to ensure the equitable representation of Member States — and particularly of inadequately represented developing countries — at all levels.

41. Her delegation also encouraged the Secretariat to continue its proactive steps to recruit and retain staff, including through human resources action plans and recruitment outreach initiatives. She commended those programme managers who had met the geographical, gender and other targets for their departments; those who consistently failed to do so should be held accountable.

42. To avoid future legal challenges, it was crucial for Member States to ensure that the rules promulgated by the Secretary-General to implement the new human resources management regime were consistent with General Assembly mandates and adhered to the letter and spirit of the Staff Regulations.

43. **Mr. Park** In-kook (Republic of Korea) said that the new contractual arrangements approved by General Assembly resolution 63/250 represented a significant step forward in the reform of human resources management. His delegation agreed with the Secretary-General and the Advisory Committee that continuing appointments should be awarded not automatically but only after rigorous review and that a central management system should be established to ensure that the conversion to the new arrangement was conducted with fairness and transparency. It also endorsed the Advisory Committee's opposition to the

establishment of a ceiling on the total number of staff with a long-term claim on the Organization. That issue and others could be addressed in the light of the Secretary-General's eventual evaluation of the new system of contracts. An effective performance appraisal system was essential to the implementation of the new contractual arrangements. His delegation welcomed the discussions on that subject in the Staff-Management Coordination Committee and looked forward to receiving the Secretary-General's forthcoming report on the current system.

44. The increase in the numbers of unrepresented and underrepresented States was a matter of concern, as was the continuing geographical imbalance in the representation of States. The Secretary-General must endeavour to comply with the General Assembly's request to reduce those numbers by 30 per cent of their 2006 levels by 2010. Since national competitive examinations were an effective tool for recruitment to Professional posts, especially from the unrepresented and underrepresented countries, his delegation welcomed the Secretary-General's proposal to award continuing appointments to such recruits after two years of satisfactory service and reiterated its call for rostered candidates to be placed quickly and for the examination cycle to be shortened.

45. **Mr. Kanamori** (Japan) said that the Secretary-General's proposals on continuing appointments were too ambiguous to serve as a basis for human resources management for several reasons. First, they lacked clear criteria for determining a continuing need for a staff member's services. Second, as the Advisory Committee pointed out in paragraph 20 of its report, (A/64/518), there was no information on which skills or functions would be needed on an ongoing basis. And third, the current very generous ratings given under the performance appraisal system were unlikely to prove an effective tool for deciding which staff members should be granted continuing appointments.

46. His delegation agreed with the Advisory Committee that it would probably be necessary to regulate the total number of staff with a long-term claim on the Organization. The introduction of continuing appointments without any limitation might impose a long-term financial burden, as well as creating a rigid structure which would prevent fresh talent from joining the Organization. The Office of Human Resources Management should offer the staff and the Member States a transparent explanation of how it proposed to operate a quantitatively managed system, in particular the order of priority of the criteria governing the award of continuing appointments. It was surprising that the Secretary-General's proposals did not address mobility requirements: in what was now a field-oriented United Nations several years of service away from Headquarters should be a condition for the award of continuing appointments. In view of the significant implications of the new system, his delegation reiterated its proposal for the establishment of a redesign panel to review human resources management.

47. His delegation was deeply concerned about the increasing numbers of unrepresented and underrepresented countries and urged the Secretary-General to address that long-standing issue more effectively. He should request, for example, that recommendations for appointments at the D-2 and higher levels should comprise at least three candidates, including at least one woman among them, and at least one person from an unrepresented or underrepresented country. Furthermore, the Management Performance Board should issue instructions to department heads to redress the geographical imbalance in the Secretariat, and all international Professional staff should be made subject to geographical distribution. The Secretary-General should include proposals to that end in his forthcoming review of the system of desirable ranges.

48. It was regrettable that the resumption of the national competitive examinations was being delayed. They should be retained as the main means of redressing geographical disparities in the representation of the Member States, and the next round of examinations should be held at an early date in 2010.

49. **Mr. Wong** Kang Jet (Singapore) said that professionalism and dedication were essential qualities of a strong international civil service. The Organization's increasing difficulties in implementing its mandated activities were due in part to its outmoded human resources management policies. General Assembly resolution 63/250 had paved the way for a system which was more transparent and easier to administer, but the reforms had to be comprehensive.

50. First, the Organization needed a robust performance management system. Strong incentives would engender a culture of excellence which would attract capable and dynamic individuals. It was

encouraging in that connection that the Staff-Management Coordination Committee was considering a 360-degree feedback mechanism, performance management training for supervisors and a new rating system, but a good system also required a genuine desire to make meaningful distinctions with regard to the staff's performance.

51. Second, it was not sufficient to identify talented individuals; the Organization must also be able to determine its long-term needs and pre-empt future problems, and career progression must be clearly charted and include development opportunities such as milestone training and appropriate postings.

52. Third, a truly international civil service must attract talented personnel from all parts of the world, yet the developing countries were underrepresented in the Secretariat at the senior levels and some departments remained fiefdoms of a few Member States. Equitable geographical representation was not an end in itself, but the diversity which it brought would enable the Organization to act locally while thinking globally.

53. It should always be borne in mind that reforms took time to implement and that human resources management would not be transformed overnight. That thought applied in particular to the implementation of continuing appointments.

54. **Mr. Ruiz Massieu** (Mexico) said that the Secretary-General's report on the implementation of continuing appointments (A/64/267) did not contain estimates of the number of staff members eligible for such appointments and was not clear as to the number of international staff in field missions who were so eligible. That vagueness, coupled with the fact the Secretary-General's proposals would restrict the recruitment of new staff on contracts of one year or longer, would hamper the implementation of General Assembly resolution 63/250, which sought an appropriate balance between fixed-term and continuing contracts. His delegation agreed with the Advisory Committee in that regard. The eligibility criteria for awarding continuing appointments were not objective enough and did not take account of performance or type of experience in the Organization. However, the first phase of the redesigned performance appraisal system would help to strengthen performance management. It would be imprudent to award any continuing appointments before the new system was operational; the impact of such appointments on staff mobility would also have to be taken into consideration.

55. National competitive examinations were an essential tool for recruiting personnel from the many underrepresented countries, including his own. It was regrettable that no information was available about the date or conditions of the next round of examinations. Lowering the age limit for taking the examinations might put many countries at a disadvantage, and extending the examinations to adequately represented countries would aggravate the existing situation.

56. The Director of the Ethics Office should not perform any operational functions. The report on the operational experience of the Senior Vendor Review Committee, which had been established for one year to review cases of vendors under investigation for unethical practices, should address the possibility of absorbing future activities within the existing arrangements. Lastly, any voluntary code of ethics should be based on input for ICSC.

57. **Mr. Rashkow** (United States of America) said that his Government recognized the critical contribution made by United Nations staff and attached great importance to human resources management.

58. The Secretary-General's report on the implementation of continuing appointments (A/64/267) provided a starting point for the consideration of the subject, but the United States delegation shared many of the concerns stated by the Advisory Committee, with regard in particular to the lack of credibility of the existing performance appraisal system and the failure to connect the determination of the continuing need to retain staff members to strategic workforce planning. Furthermore, the Secretary-General's proposals would not ensure programme continuity in core functions or allow the flexibility needed for an effective global Secretariat. A limit should be imposed on the number of conversions in order to ensure a judicious mix of career and fixed-term appointments. Above all, fixed-term staff members who met the conversion criteria should be regarded as eligible for rather than entitled to continuing contracts.

59. **Ms. He** Yi (China) said that her delegation welcomed the Secretariat's efforts to reform human resources management and wished to draw attention to four important considerations. First, the Secretariat should devise realistic measures to address the

concerns of the developing countries about their continuing underrepresentation and the overall imbalance in the composition of the Secretariat. Second, since the question of continuing appointments affected the core activities of the Organization and its proper functioning and development, decisions on the continuation and termination of all contracts must be taken cautiously in the light of serious analysis. Third, the new Staff Rules should fully reflect changes in the status of the staff and in the system of human resources management. Fourth, more United Nations bodies should take part in the work of the Ethics Office, which played an important role in improving ethical conduct, integrity and accountability in the Organization. A system-wide code of ethics would be welcome, but it must take full account of the values of the United Nations and the cultural diversity of its Members and be based on widespread consultation of all the parties involved.

60. **Mr. Prokhorov** (Russian Federation) said that human resources management was a key element of the United Nations reform. His delegation would continue to consider the Secretary-General's proposals primarily in terms of their capacity to enhance the effectiveness of personnel policy and their compatibility with the financial capacity of the Member States. The proposals called for very detailed analysis in the context of the Member States' vision of human resources management reform, as set out in General Assembly resolution 63/250 and earlier resolutions on the subject.

61. His delegation shared the Advisory Committee's concern about the absence of any estimates of the number of staff members, both at headquarters duty stations and in field missions, who might be eligible for continuing appointments. Since the contractual arrangements for field staff had already been improved considerably under resolution 63/250, there was no obvious need for such staff to be eligible for continuing appointments, especially as they were recruited on a temporary basis under the primary jurisdiction of the Security Council. In that regard the proposals amounted to a back-door reversion to the idea of a cadre of peacekeepers, on which there was no consensus.

62. Despite the evident advantages of job security and career development, the proposals ran counter to the concept of flexible and efficient personnel management that was responsive to the Organization's swiftly changing needs. Furthermore, increased use of continuing appointments would not enhance productivity indicators or encourage self-improvement on the part of the staff. Speaking of productivity, his delegation looked forward to receiving the findings of the staff-management intersessional working group on mechanisms to strengthen the performance management system. His delegation did not wish to exclude the possibility of regulating the total number of staff with a long-term claim on the Organization, but it was willing to consider, as an initial measure, adjusting the eligibility criteria in order to limit the eligible population.

63. He asked for clarification of the Advisory Committee's recommendation, in paragraph 60 of its report, that the Secretary-General should intensify his efforts to achieve the geographical distribution and gender balance targets set by the General Assembly, as the Charter provisions and General Assembly resolutions on geographical distribution were open to many interpretations. Precisely which distribution targets was the Advisory Committee referring to?

64. **Mr. Bui The Giang** (Viet Nam) said that in order to be effective the United Nations must have a workforce capable of responding to the world's increasingly complex challenges. At the sixty-third session of the General Assembly the Secretary-General had rightly described the staff as the Organization's most precious resource, but had emphasized the need for reform of the current system of contracts and conditions of service. The Vietnamese delegation could not agree more with those sentiments.

65. His delegation was heartened by the gender parity achieved at the P-1 to P-3 levels but remained concerned about the overall gender and geographical imbalances in the Secretariat. Although the developing countries constituted an overwhelming majority of the Organization's membership, their nationals held only about 40 per cent of posts at the D-1 level. It was time for the Secretary-General to deliver on his assurances that he would redress those imbalances.

66. His delegation concurred in principle with the Secretary-General's proposals on the provisional Staff Rules and noted in that connection that the Ethics Office had helped to identify policy gaps and harmonize ethical standards in the United Nations system. It was to be hoped that all United Nations entities would work in unison to apply the standards of ethics and integrity in a coherent manner and thus enhance synergies throughout the system.

Agenda item 131: Programme budget for the biennium 2008-2009 (*continued*)

Agenda item 132: Proposed programme budget for the biennium 2010-2011 (*continued*) (A/64/7/Add.6 and A/64/291; A/C.5/64/2)

67. **Mr. Sayour** (Chairman of the United Nations Joint Staff Pension Board), introducing the Board's report on the administrative expenses of the United Nations Joint Staff Pension Fund (A/64/291), said that the report covered only the Fund's programme budget for the biennium 2008-2009 and its proposed programme budget for 2010-2011. Other matters considered and decisions taken by the Board in 2009 would be reported to the Committee at the sixty-fifth session of the General Assembly.

68. The Fund's operations had continued to grow in scope and complexity. It currently had 23 member organizations and more than 172,000 active participants, retirees and other beneficiaries, representing an increase of 53 per cent in just 10 years. The report described the challenges posed by such growth. The market value of the Fund's assets had declined sharply in the year ended 31 December 2008. It had recovered somewhat by 31 October 2009 to stand at $36.2 billion. However, the annual real rate of return for the 20-year period ended 31 March 2009 had been 4.3 per cent, against a long-term target of 3.5 per cent after adjustment for inflation. The Fund did not need to sell any securities in the short term to balance its operations. As requested by the Advisory Committee and the Board's own Standing Committee, the Fund had begun to present its budget in the results-based format, with resources requested under each of the Fund's programmes. That linkage would be further improved and become standard practice.

69. The budget estimates for the biennium 2008-2009 were presented in the performance report in chapter II, which reflected a $25,003,900 reduction in appropriations due to reduced expenditure on administrative and investment costs, offset in part by an increase in Board expenses.

70. It should be remembered that the Fund's administrative costs included all the activities which had to be carried out on behalf of its active participants, retirees and other beneficiaries. The investment costs, which were charged fully against the Fund's investment income, related to the activities of the Investment Management Service. The audit costs related to both internal and external auditing of the administrative operations of the Fund's secretariat and to the operations of the Investment Management Service.

71. In keeping with past practice, the Board had established an in-session working group to examine the revised budget estimates for 2008-2009 and to make recommendations on the budget proposals for 2010-2011. On the basis of the working group's proposals the Board had agreed to recommend budget estimates for 2010-2011 totalling $179,131,200. It had been decided that the estimated amount relating to the Board's expenses should continue to be charged against the Fund's principal. The Board had also approved extrabudgetary costs of $162,600, to be funded by the member organizations, for the after-service health insurance system. Of the total amount approved for 2010-2011, $156.9 million would be apportioned to the Fund and $22.2 million to the United Nations under the cost-sharing agreement. For the secretariat, the budget reflected the priorities outlined in the third management charter of the Fund, approved by the Board in 2008.

72. The Board recommended the establishment of 14 new posts to be charged to administrative costs and the continuation of one extrabudgetary post to be funded by the member organizations, together with nine new posts for the Investment Management Service.

73. The bulk of the increase in requested funding under administrative costs related to the Fund's new enterprise resource planning project. In that connection, the Board's recommendation on the new Integrated Pension Administration System (IPAS), a project which it had approved in 2008, was contained in annex VII of the report and details of the project in annex XIII.

74. As in the past, the Board requested authorization to supplement contributions to the Emergency Fund for the biennium 2010-2011 by an amount not exceeding $200,000. Lastly, while the Advisory Committee had agreed to recommend approval of the Board's proposals (A/64/291, para. 133), the revised estimates to be approved for 2008-2009 amounted to $128,195,200, based on more up-to-date expenditure data.

75. **Ms. Van Buerle** (Director, Programme Planning and Budget Division), introducing the report of the Secretary-General on the administrative and financial

implications arising from the report of the United Nations Joint Staff Pension Board (A/C.5/64/2), said that the overall requirements amounting to $22,238,300 (at 2010-2011 rates) represented the United Nations share in the Fund's administrative and audit costs. The additional requirements arose mainly from staffing changes and increased requirements for other staff costs and other operational costs related to the additional posts.

76. Application of the revised distribution rate of 63.8 per cent produced a revised regular budget share of $14.2 million. An amount of $12.3 million had already been included under section 1, Overall policymaking, direction and coordination, of the proposed programme budget for 2010-2011. Accordingly, should the General Assembly endorse the Board's proposals as contained in its report, an additional requirement of $1.9 million, reflecting the difference between the previously budgeted amount and the revised requirements, would be required under section 1.

77. **Ms. McLurg** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee (A/64/7/Add.6), said that the Advisory Committee had followed the movement of the market value of the Fund's assets during the economic crisis and noted that the Fund, like many other pension funds, had not been immune to the market's volatility. As of 31 December 2008 the market value of the Fund's assets had amounted to $31.3 billion, compared with $41.7 billion a year earlier, representing a decrease of approximately 25 per cent. However, the Advisory Committee had been informed that by 30 September 2009 the assets' value had increased to $36.5 billion.

78. The Advisory Committee had no objection to the Board's recommendations with regard to the proposed budget for the biennium 2010-2011. However, it noted in its report that it expected restraint in future budgets with regard to staffing requirements. There had been an increase of some 51.8 per cent in the number of posts, including temporary posts, over the four bienniums comprising the period 2004-2011.

79. Should the General Assembly approve the Board's proposal and recommendations, the overall requirements which would arise for the United Nations were estimated at $22.2 million (at 2010-2011 rates). Of the total requirement for the biennium, the cost to the regular budget would amount to $14.2 million and the balance of $8 million would be reimbursed to the United Nations by UNDP, UNFPA and UNICEF. As indicated in the proposed programme budget for the biennium 2010-2011, an amount of $11.8 million ($12.3 million at 2010-2011 rates) related to the regular budget share of the cost of the Fund's central secretariat, excluding reimbursements anticipated from UNDP, UNFPA and UNICEF. Accordingly, an additional appropriation of $1,865,500 would be required under section 1 of the proposed programme budget for the biennium 2010-2011. The provision would represent a charge against the contingency fund.

80. The Advisory Committee recommended that the General Assembly should approve the Board's recommendations as contained in paragraph 133 of its report (A/64/291) and the additional appropriation under the regular budget for the biennium 2010-2011 arising from the Board's recommendations, as mentioned in paragraph 11 of the Secretary-General's report (A/C.5/64/2).

81. **Mr. Elhag** (Sudan), speaking on behalf of the Group of 77 and China, said that the Group welcomed the substantial increase in the number of individuals covered by the United Nations Joint Staff Pension Fund over the previous 10 years. The Group also welcomed the admission of the Special Tribunal for Lebanon to the Fund and reiterated the need for equitable representation of the Fund's constituent organizations at all its meetings and sessions.

82. The actuarial surplus of 0.49 per cent as at 31 December 2007 and the compound annual rate of return were most satisfactory. He was concerned, however, by the 28.3-per-cent decrease in the market value of the Fund's assets as at 31 March 2009 compared to 2007 and underlined the criteria set out in General Assembly resolution 32/73, according to which investments should be safe, profitable, liquid and convertible.

83. The Fund should act on its commitment to broaden the geographical diversification of its investments by increasing investments in developing countries, which remained underrepresented in the Fund's portfolio. Investments in the developing world could provide balance and avoid the sort of setbacks that had been experienced during the financial and

economic crisis. He urged the Fund to increase such investments and report back to the Assembly.

84. The Group discouraged outsourcing of the investment management function and supported greater reliance on internal asset management. It concurred with the Advisory Committee's recommendation that the in-house investment management function should be monitored to ensure that the Fund's long-term objectives were met.

85. Noting that the budget proposals for the Fund would lead to a significant budget increase of 34.7 per cent, he requested further information on the impact of the proposed new posts on the Fund's overall function as well as the relationship between the projected costs, with the provisions for after-service health insurance, and the new enterprise resource planning system still under consideration by the Assembly. Any investment in human resources, non-post costs and information technology systems should be justified by specific efficiency gains.

Agenda item 154: Financing of the United Nations Observer Mission in Georgia (A/64/463, A/64/464 and A/64/529)

86. **Mr. Yamazaki** (Controller), introducing the performance report on the budget of the United Nations Observer Mission in Georgia (UNOMIG) for the period from 1 July 2008 to 30 June 2009 (A/64/463), said that the General Assembly, by its resolution 62/260, had approved a budget of $34.5 million for that period. Expenditures had amounted to $34 million, resulting in an unencumbered balance of $0.5 million, which represented a budget implementation rate of 98.5 per cent. The main factors contributing to the reduced utilization of resources had been higher actual vacancy rates for international staff and police, the deferment of work on roads and bridges as a result of the security situation and the non-acquisition of generators.

87. The Assembly was requested to reduce the appropriation for the Mission to $35,582,015; to assess the amount of $934,857, representing the difference between the amount already assessed for the maintenance of the Mission and the actual expenditure for the period from 1 July 2008 to 30 June 2009; to assess the amount of $66,658 for the support account for peacekeeping operations and the United Nations Logistics Base for the period from 16 to 30 June 2009; and to decide on the treatment of other income/adjustments amounting to $821,900 for the period ended 30 June 2009.

88. Turning to the report of the Secretary-General on the revised budget for UNOMIG for the period from 1 July 2009 to 30 June 2010 (A/64/464), he said that the proposed initial budget for the period amounted to $38,838,500. The General Assembly, by its resolution 63/293, had appropriated $15 million for the administrative liquidation of the Mission for the period from 1 July to 31 December 2009, had apportioned among Member States the amount of $10 million for that period and had requested the Secretary-General to submit the administrative liquidation budget to the General Assembly at the main part of its sixty-fourth session. Since the Mission's mandate had not been extended beyond 15 June 2009, the report contained the revised budget for the period from 1 July to 31 October 2009, which amounted to $10,946,000. That represented a decrease of 27 per cent in comparison to the initial appropriation, mainly owing to the phasing down of international staff during a shortened liquidation period ending 31 October 2009 and lower air transportation costs as a result of reduced flight hours.

89. The General Assembly was invited to reduce the appropriation for the administrative liquidation of the Mission to the amount of $10,946,000 for the period from 1 July to 31 October 2009 and, taking into account the amount of $10 million already assessed on Member States, to assess the additional amount of $946,000.

90. **Ms. McLurg** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the related report of the Advisory Committee (A/64/529), said that the Advisory Committee had been informed that expenditures for the UNOMIG had been $10,760,100 as at 30 September 2009 and that the final level of expenditures would be reported in the performance report for the period 2009/10. The Advisory Committee would comment on the Mission's liquidation in the context of the report on the final disposition of assets. It recommended acceptance of the proposals contained in both of the Secretary-General's reports (A/64/463 and A/64/464).

The meeting rose at 1.05 p.m.